

## Message Text

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INFO OCT-01 ISO-00 AF-04 ARA-06 EA-06 EUR-08 NEA-06 RSC-01

CIAE-00 DODE-00 PM-03 H-01 INR-05 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 OIC-01 IO-04 FRB-01

OMB-01 TAR-01 SWF-01 AGR-05 AID-05 COME-00 EB-04

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TO USMISSION USUN NEW YORK PRIORITY

INFO USMISSION GENEVA

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY MEXICO

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY ROME

AMEMBASSY COPENHAGEN

AMEMBASSY OTTAWA

AMEMBASSY CANBERRA

AMEMBASSY BRUSSELS

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E.O. 11652: N/A

TAGS: UNCTAD, EGEN

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SUBJ: CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES

1. SUMMARY: INFORMAL NEGOTIATIONS AMONG MEMBERS OF  
UNCTAD WORKING GROUP ON CHARTER OF ECONOMIC RIGHTS AND

DUTIES CONCLUDED AT UN OCT 19 WITH IMPASSE UNBROKEN ON KEY OUTSTANDING ISSUES OF TREATMENT OF FOREIGN INVESTMENT, PRODUCERS' CARTELS, SECURITY OF SUPPLY OF RAW MATERIALS, EXTENSION TO LDCS OF GENERALIZED NON-TRADING PREFERENCES, INDEXATION, AND RESTITUTION FOR RAVAGES OF COLONIALISM AND OCCUPATION. SOLE AGREED PROVISION RESULTING FROM TEN DAYS ARDUOUS NEGOTIATIONS IS ARTICLE ON LDC GRANT OF TRADE PREFERENCES TO OTHER LDCS. PROCEDURAL OUTLOOK IS UNCERTAIN, BUT PROBABLY GROUP OF 77 WILL MOVE NEGOTIATIONS ON CHARTER TO UNGA SECOND COMMITTEE AND, IN EVENT OF CONTINUING DEADLOCK, WILL PRESS CHARTER TO A DIVIDED VOTE. END SUMMARY.

2. ON EVENING OCT 18, MEXICAN UNDER SECRETARY GONZALEZ SOSA WAS HOST AT DINNER BILLED AS SUPREME, SUMMIT EFFORT TO RESOLVE KEY ISSUES OF CHARTER, PARTICULARLY THOSE OF FOREIGN INVESTMENT. DINNER RAN UNTIL ALMOST 3:00 A.M. MORNING OF OCT 19, AND IT APPEARED THAT AGREEMENT MIGHT WELL BE REACHED ON ESSENTIALS OF AN ARTICLE ON TREATMENT

OF FOREIGN INVESTMENT. SOLE UNAGREED ISSUE IN THIS REGARD AT THAT JUNCTURE SEEMED TO BE WHETHER QUESTION OF ECONOMIC COERCION SHOULD BE DEALT WITH IN THE ARTICLE ON FOREIGN INVESTMENT, AND IN WHAT TERMS IF SO. HOWEVER, WHEN NEGOTIATIONS RESUMED AT 10:00 A.M. OCT 19 ATTENDED NOT ONLY BY DINNER PARTICIPANTS BUT BY ALL PARTICIPANTS IN CURRENT ROUND OF NEGOTIATIONS, THE BASES OF THE COMPROMISE WERE UPSET BY AN ALGERIAN AMENDMENT TO SPECIFY THAT FOREIGN INVESTMENT AGREEMENTS WHICH WERE TO BE OBSERVED IN GOOD FAITH REFERRED ONLY TO STATE-TO-STATE AGREEMENTS.

3. TEXTS PLACED BEFORE 10:00 A.M. OCT 19 SESSION WERE AS FOLLOWS. ALTERNATIVE 1 WAS PROPOSED BY UKDEL; ALTERNATIVE 2 BY GROUP OF 77 (THOUGH IN COURSE OF ENSUING DISCUSSION IT QUALIFIED ITS SPONSORSHIP); ALTERNATIVE 3 BY CAULFIELD (UNCTAD SECRETARIAT LEGAL ADVISER).  
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4. "CHAPTER II - PARAGRAPH 2:

ALTERNATIVE 1

"EVERY STATE HAS FULL PERMANENT SOVEREIGNTY OVER ITS NATURAL RESOURCES AND WEALTH AND OVER ITS ECONOMIC ACTIVITIES, INCLUDING THE RIGHTS OF USE AND OF DISPOSAL AND OF NATIONALIZATION. ACCORDINGLY, EVERY STATE HAS THE RIGHT TO REGULATE AND EXERCISE AUTHORITY OVER FOREIGN INVESTMENT AND THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS WITHIN ITS JURISDICTION, AND TO ENTER FREELY INTO FOREIGN INVESTMENT AGREEMENTS. ALL STATES

SHALL FULFILL IN GOOD FAITH THE TERMS OF SUCH AGREEMENTS  
SO ENTERED INTO BY THEM AND, IN RESPECT OF THE FOREGOING  
RIGHTS, THEIR INTERNATIONAL OBLIGATIONS AND DUTIES,  
INCLUDING THE DUTIES SPECIFIED IN PARAGRAPH (BLANK)  
(GENERAL PROVISIONS).

ALTERNATIVE 2

"EVERY STATE HAS FULL PERMANENT SOVEREIGNTY OVER ITS  
NATURAL RESOURCES AND WEALTH AND OVER ITS ECONOMIC  
ACTIVITIES, INCLUDING THE RIGHTS OF USE AND OF DISPOSAL  
AND OF NATIONALIZATION. ACCORDINGLY, EVERY STATE HAS  
THE RIGHT TO REGULATE AND EXERCISE AUTHORITY OVER FOREIGN  
INVESTMENT AND THE ACTIVITIES OF TRANSNATIONAL CORPORA-  
TIONS WITHIN ITS JURISDICTION, AND TO ENTER FREELY INTO  
FOREIGN INVESTMENT AGREEMENTS. ALL STATES SHALL ACT IN  
ACCORDANCE WITH PRINCIPLES OF CHAPTER I, ESPECIALLY (J),  
AND WITH THE PROVISIONS OF PARA (BLANK) (GENERAL PROVI-  
SIONS) OF THE PRESENT CHAPTER.<sup>1</sup> (FOOTNOTE 1: IT WAS

FURTHER SUGGESTED THAT ALL OF THE PARAS OF THE CHARTER  
MIGHT BE PRESENTED IN UNNUMBERED SEQUENCE. END FOOTNOTE).

ALTERNATIVE 3

"EVERY STATE HAS FULL PERMANENT SOVEREIGNTY OVER ITS  
NATURAL RESOURCES AND WEALTH AND OVER ITS ECONOMIC  
ACTIVITIES, INCLUDING THE RIGHTS OF USE AND OF DISPOSAL  
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AND OF NATIONALIZATION. ACCORDINGLY, EVERY STATE HAS  
THE RIGHT TO REGULATE AND EXERCISE AUTHORITY OVER FOREIGN  
INVESTMENT AND THE ACTIVITIES OF TRANSNATIONAL CORPORA-  
TIONS WITHIN ITS JURISDICTION, AND TO ENTER FREELY  
INTO FOREIGN INVESTMENT AGREEMENTS.

"IT IS UNDERSTOOD:

"(A) THAT GOOD FAITH SHALL GOVERN THE FULFILLMENT OF  
SUCH AGREEMENTS AND, IN RESPECT OF THE FOREGOING RIGHTS,  
OF ITS INTERNATIONAL OBLIGATIONS;  
AND

"(B) THAT, IN RESPECT OF THE FOREGOING RIGHTS, ANY FORM  
OF COERCION BY ANY STATE OF ANOTHER STATE IN ORDER TO  
OBTAIN FROM IT THE SUBORDINATION OF THE EXERCISE OF ITS  
SOVEREIGN RIGHTS AND TO SECURE FROM IT ADVANTAGES OF ANY  
KIND IS PROHIBITED."

5. ALGERIA (OULD-ROUIS) REJECTED ALTERNATIVE 1 AND  
PROPOSED TO ADD, WHETHER TO ALTERNATIVE 2 OR 3, AFTER  
"TO ENTER FREELY INTO FOREIGN INVESTMENT AGREEMENTS",

THE WORDS "WITH OTHER STATES". MEXICO (GONZALEZ GALVEZ) WARMLY SUPPORTED THIS PROPOSAL. USDEL (SCHWEBEL) SAID USG FOUND THIS AMENDMENT DISMAYING, SINCE NEGOTIATIONS HAD BEEN CONDUCTED IN PRECEDING DAYS AND NIGHTS ON BASIS OF AN AGREED SET OF POINTS FOR INCLUSION IN THE FOREIGN INVESTMENT ARTICLE, ONE OF WHICH HAD ALWAYS BEEN "FOREIGN INVESTMENT AGREEMENTS" NOT RESTRICTED TO STATE-TO-STATE AGREEMENTS. SUCH A CRITICAL CHANGE IN ONE OF THE KEY ELEMENTS OF A COMPROMISE WOULD NATURALLY AFFECT THE WHOLE OF THE PROPOSED PACKAGE DEAL. HE INVITED ALGERIAN AND MEXICAN DELS TO PUT THIS AMENDMENT ASIDE IN ORDER TO PERMIT AN EFFORT TO RESOLVE COERCION QUESTION AND REACH AGREEMENT ON A FOREIGN INVESTMENT ARTICLE. IF, HOWEVER, THE AMENDMENT WERE MAINTAINED, THEN THE USDEL WOULD FEEL OBLIGED TO MOVE A COMPENSATORY AMENDMENT, SUCH AS PROVISION FOR JUST COMPENSATION FOR NATIONALIZED PROPERTY.

6. CANADA (STANFORD) VIGOROUSLY SUPPORTED USDEL, NOTING THAT MEXICO ITSELF HAD PROPOSED FORMULA ON LIMITED OFFICIAL USE  
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10 OCT: "TO ENTER FREELY INTO INVESTMENT AGREEMENTS RELATING TO THE IMPORT OF FOREIGN CAPITAL, WHICH AGREEMENTS SHALL BE OBSERVED IN GOOD FAITH..." IT WAS THUS CLEAR THAT INSERTION OF A PROVISIO LIMITING SUCH AGREEMENTS TO THOSE ENTERED INTO BETWEEN STATES WOULD UPSET THE BASES OF THE PROPOSED COMPROMISE. UKDEL (FREELAND) AND FRANCE (CHOLLET) EXPLAINED IN DETAIL THE NECESSITY, FROM GROUP B VIEWPOINT, OF THE PROVISION ON INVESTMENT AGREEMENTS NOT BEING LIMITED TO AGREEMENTS BETWEEN STATES, NOTING THAT A PROVISION FOR RESPECT FOR "INTERNATIONAL OBLIGATIONS" DID NOT NECESSARILY EMBRACE AGREEMENTS BETWEEN STATES AND COMPANIES WHICH WERE NOT NORMALLY INSTRUMENTS OF INTERNATIONAL LAW.

7. CASTANEDA (CHAIRMAN, MEXICO), DESPITE HIS STATUS AS CHAIRMAN, ARTICULATEDLY ENTERED INTO THE FRAY, EXPOUNDING THE GROUP OF 77 VIEWPOINT WITH HIS CHARACTERISTIC PARTISANSHIP. (HE DID SO DESPITE HIS HAVING ACCEPTED WITHOUT A MURMUR THE PROVISION ABOUT FOREIGN INVESTMENT AGREEMENTS, NOT LIMITED TO STATE-TO-STATE AGREEMENTS, IN A CONVERSATION WITH SCHWEBEL PREVIOUS AFTERNOON.)

8. AT THIS POINT, SOVIET SPOKESMAN WHO HAD NOT PREVIOUSLY PARTICIPATED IN THE CONSULTATIONS INTERVENED TO STATE THAT USSR VIEWED ALL THREE TEXTS BEFORE THE GROUP AS A SELLOUT OF LDC INTERESTS, WHICH WERE SUGGESTIVE OF THE CAPITULATIONS THE IMPERIALISTS FORMERLY EXACTED FROM THEIR COLONIES. CHINESE DEL MADE A MORE MODERATE ATTACK ON THE TEXTS AND GAVE FULL SUPPORT TO THE

ALGERIAN-MEXICAN AMENDMENT AND VIEWPOINT. ALGERIA EXPLAINED THAT THE GROUP OF 77 ACTUALLY PROPOSED NONE OF THE TEXTS BUT SAW MERIT IN ALTERNATIVE 2. MULIRO (KENYA), AS CHAIRMAN OF NEGOTIATING SUBGROUP ON INVESTMENT PROBLEMS, TOOK RESPONSIBILITY FOR ALL THREE TEXTS. CASTANEDA REMARKED THAT THE GROUP OF 77 COULD NOT BE FAIRLY ACCUSED OF ADVANCING ANY TEXT THAT SMACKED OF CAPITULATIONS.

9. AFTER A FEW HOURS OF EXCHANGES OF FOREGOING CHARACTER, IN WHICH GROUP OF 77 PRESSED FOR TAKING ALTERNATIVE 2, AS PROPOSED TO BE AMENDED BY ALGERIA, AS BASIS FOR CON-LIMITED OFFICIAL USE  
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TINUED WORK, USDEL MOVED TWO AMENDMENTS TO ALTERNATIVE 2: (A) TO ADD, AT END OF FIRST SENTENCE AFTER "NATIONALIZATION": "SUBJECT TO THE PAYMENT OF JUST COMPENSATION FOR FOREIGN NATIONALIZED PROPERTY". (B) TO DELETE LAST SENTENCE AND SUBSTITUTE: "ALL STATES SHALL FULFIL IN GOOD

FAITH THE TERMS OF SUCH AGREEMENTS SO ENTERED INTO BY THEM, AND, IN RESPECT OF THE FOREGOING RIGHTS, THEIR INTERNATIONAL OBLIGATIONS."

10. CASTANEDA THEREUPON STATED THAT IT APPEARED THAT AGREEMENT COULD NOT BE REACHED ON THE SUBSTANCE OF AN ARTICLE ON FOREIGN INVESTMENT, THAT TIME FOR SUBSTANTIVE EXCHANGE HAD RUN OUT, AND THAT OTHER PENDING ISSUES COULD NOT BE DISCUSSED FURTHER AT THIS TIME.

11. SOVDEL STATED THAT IT REMAINED OF VIEW THAT NONE OF THREE ALTERNATIVE TEXTS ON FOREIGN INVESTMENT WERE SATISFACTORY COMPROMISES, AND ASSUMED PRIOR TEXTS OF GROUPS REMAIN ON TABLE. MULIRO SAID THE THREE TEXTS HAD NO CONTINUING VALIDITY AND CASTANEDA CONFIRMED THAT THEY WOULD NOT APPEAR IN HIS REPORT TO UNGA ON THE INFORMAL CONSULTATIONS THAT HAD TAKEN PLACE SINCE CONCLUSION OF THE FOURTH SESSION OF THE WORKING GROUP IN MEXICO CITY.

12. NOTE WAS TAKEN OF THE FOLLOWING REPORT OF THE SUBGROUP OF THE INFORMAL CONSULTATIONS ON TRADE PROBLEMS CHAIRED BY MONTGOMERY (CANADA), PARTICULARLY OF THE SINGLE AGREED PARA.

13. "AGREED TEXT

CHAPTER II - PARAGRAPH 21:

"DEVELOPING COUNTRIES SHOULD ENDEAVOUR TO PROMOTE THE EXPANSION OF THEIR MUTUAL TRADE AND TO THIS END, MAY,

IN ACCORDANCE WITH THE EXISTING AND EVOLVING PROVISIONS  
AND PROCEDURES OF INTERNATIONAL AGREEMENTS WHERE  
APPLICABLE, GRANT TRADE PREFERENCES TO OTHER DEVELOPING  
COUNTRIES WITHOUT BEING OBLIGED TO EXTEND SUCH PREFERENCES  
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TO DEVELOPED COUNTRIES, PROVIDED THESE ARRANGEMENTS DO  
NOT CONSTITUTE AN IMPEDIMENT TO GENERAL TRADE LIBERALIZA-  
TION AND EXPANSION."

"DISAGREED TEXTS

CHAPTER II - PARAGRAPH 5:

ALTERNATIVE 1 - (PROPOSED BY THE GROUP OF 77)

ALL STATES HAVE THE RIGHT TO ASSOCIATE IN ORGANIZATIONS  
OF COMMODITY PRODUCERS IN ORDER TO DEVELOP THEIR NATIONAL  
ECONOMIES AND TO ACHIEVE STABLE FINANCING FOR THEIR

DEVELOPMENT, IN PARTICULAR THAT OF DEVELOPING COUNTRIES.

ALTERNATIVE 2 - (PROPOSAL BY AUSTRALIA)

ALL STATES HAVE THE RIGHT TO ASSOCIATE IN ORGANIZATIONS  
IN ORDER TO DEVELOP THEIR NATIONAL ECONOMIES AND TO  
ACHIEVE STABLE FINANCING FOR THEIR DEVELOPMENT, IN  
PARTICULAR THAT OF DEVELOPING COUNTRIES.

ALTERNATIVE 3 - (PROPOSAL BY THE EEC)

ALL STATES HAVE THE RIGHT TO ASSOCIATE IN ORGANIZATIONS,  
WITHIN THE FRAMEWORK OF INTERNATIONAL CO-OPERATION IN  
ORDER TO PROMOTE THE SUSTAINED GROWTH OF THE WORLD  
ECONOMY FOR THE BENEFIT BOTH OF DEVELOPING AND DEVELOPED  
COUNTRIES.

ALTERNATIVE 4

DELETE THIS PARAGRAPH.

CHAPTER II - PARAGRAPH 5 BIS:

ALTERNATIVE 1 - (PROPOSAL BY THE GROUP OF 77)

IT IS THE DUTY OF STATES TO CONTRIBUTE TO THE DEVELOPMENT  
OF INTERNATIONAL TRADE OF GOODS PARTICULARLY BY MEANS  
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OF ARRANGEMENTS WHERE APPROPRIATE AND TAKING INTO ACCOUNT THE INTERESTS OF PRODUCERS AND CONSUMERS. ALL STATES SHARE THE RESPONSIBILITY TO PROMOTE THE REGULAR FLOW AND ACCESS, OF ALL COMMERCIAL GOODS TRADED AT STABLE, REMUNERATIVE AND EQUITABLE PRICES, THUS CONTRIBUTING TO THE EQUITABLE DEVELOPMENT OF THE WORLD ECONOMY WHILE TAKING INTO ACCOUNT, IN PARTICULAR, THE INTERESTS OF DEVELOPING COUNTRIES.

ALTERNATIVE 2 - (PROPOSAL BY THE EC)

ALL STATES SHALL BE PREPARED TO STUDY AND NEGOTIATE AS APPROPRIATE WORLD-WIDE COMMODITY AGREEMENTS ON A CASE-BY-CASE BASIS, WHICH SHOULD COVER AS MANY PRODUCERS AND CONSUMERS AS POSSIBLE AND A SUBSTANTIAL PART OF THE TRADE INVOLVED. ALL STATES SHOULD ENDEAVOUR TO PROMOTE THE REGULAR FLOW OF RAW MATERIAL SUPPLIES, INCLUDING AGRICULTURAL AND INDUSTRIAL RAW MATERIAL SUPPLIES, HAVING REGARD TO THE PARTICULAR ECONOMIC CIRCUMSTANCES OF INDIVIDUAL COUNTRIES, AT STABLE, REMUNERATIVE AND EQUIT-

ABLE PRICES, THUS CONTRIBUTING TO THE DEVELOPMENT OF THE WORLD ECONOMY WHILE TAKING INTO ACCOUNT, IN PARTICULAR, THE INTERESTS OF DEVELOPING COUNTRIES.

ALTERNATIVE 3

IT IS THE DUTY OF STATES TO CONTRIBUTE TO THE HARMONIOUS DEVELOPMENT OF INTERNATIONAL TRADE IN COMMODITIES, PARTICULARLY BY MEANS OF COMMODITY ARRANGEMENTS WHERE APPROPRIATE AND TAKING INTO ACCOUNT THE INTERESTS OF PRODUCERS AND CONSUMERS.

ALTERNATIVE 4

DELETE THIS PARAGRAPH.

CHAPTER II - PARAGRAPH 19:

ALTERNATIVE 1

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DEVELOPED COUNTRIES SHOULD GIVE SERIOUS CONSIDERATION TO THE GRANT OF GENERALIZED PREFERENTIAL, NON-RECIPROCAL AND NON-DISCRIMINATORY TREATMENT TO DEVELOPING COUNTRIES IN FIELDS OF INTERNATIONAL ECONOMIC CO-OPERATION WHERE THIS IS FEASIBLE AND APPROPRIATE.

ALTERNATIVE 2

WITH A VIEW TO ACCELERATING THE ECONOMIC GROWTH OF DEVELOPING COUNTRIES, AND BRIDGING THE ECONOMIC GAP BETWEEN DEVELOPED AND DEVELOPING COUNTRIES, DEVELOPED COUNTRIES SHOULD IDENTIFY THROUGH THE COMPETENT ORGANIZATIONS OF THE UNITED NATIONS FURTHER AREAS OF INTERNATIONAL ECONOMIC CO-OPERATION IN WHICH IT MAY BE FEASIBLE TO GRANT GENERALIZED PREFERENTIAL AND NON-DISCRIMINATORY TREATMENT TO DEVELOPING COUNTRIES, AND TAKE THE NECESSARY STEPS FOR THE EXTENSION OF SUCH GENERALIZED PREFERENTIAL TREATMENT AS APPROPRIATE.

ALTERNATIVE 3

DELETE THIS PARAGRAPH.

CHAPTER II - PARAGRAPH 28:

ALTERNATIVE 1

ALL STATES HAVE THE DUTY TO CO-OPERATE IN ACHIEVING ADJUSTMENTS IN THE PRICES OF EXPORTS OF DEVELOPING

COUNTRIES IN RELATION TO PRICES OF THEIR IMPORTS, SO AS TO PROMOTE JUST AND EQUITABLE TERMS OF TRADE FOR THEM, IN A MANNER WHICH IS PROFITABLE FOR PRODUCERS AND FAIR TO CONSUMERS.

ALTERNATIVE 2

DELETE THIS PARAGRAPH."

14. CASTANEDA CONCLUDED SUBSTANTIVE DISCUSSION BY NOTING THAT HIS CONSULTATIONS OUTSIDE THE CONTEXT OF LIMITED OFFICIAL USE  
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SUBGROUPS HAD NOT PRODUCED AGREEMENT ON ARTICLES 3 (SHARED RESOURCES), 15 (DISARMAMENT), 16 (RESTITUTION FOR RAVAGES OF COLONIALISM ETC.), AND THAT ONE DEL (ARGENTINA) STILL HAD RESERVATIONS ABOUT THE TEXT ON ENVIRONMENT APPROVED IN GENEVA INFORMAL CONSULTATIONS.

15. DISCUSSION ON FUTURE PROCEDURES OF WORK ON CHARTER BEGAN WITH EGYPTIAN ASSERTION THAT THE CHARTER WOULD BE ADOPTED THIS UNGA SESSION, AND STATING THE G-77 VIEW THAT INFORMAL CONSULTATIONS TO THAT END SHOULD BE PURSUED IN THE UN'S SECOND COMMITTEE. GONZALEZ GALVEZ (MEXICO) SUPPORTED THIS APPROACH, EMPHASIZING THAT THERE WOULD NOT BE A SPECIAL MACHINERY FOR FUTURE CONSULTATIONS. INTERESTED PARTIES COULD CONTINUE FUTURE NEGOTIATIONS, BUT NOT IN A FORMAL STRUCTURE, SUCH AS



NEGOTIATIONS JUST CONCLUDING. IN MAKING THESE PROCEDURAL SUGGESTIONS, GONZALEZ GALVEZ CLAIMED THAT MEXICO HAD DONE MORE THAN ITS SHARE IN SEEKING NEW AVENUES FOR CONSENSUS, AND THAT MEXICO WANTED A MEANINGFUL CHARTER, NOT A DOCUMENT RATIFYING THE STATUS QUO.

16. SPEAKING FOR GROUP B, AMB PUTMAN (BELGIUM) NOTED THAT CONSIDERABLE PROGRESS HAD BEEN MADE TO DATE IN STRUCTURED NEGOTIATIONS, AND THAT GROUP B WANTED TO CONTINUE IN THIS FASHION. FREELAND (UK), ALSO SPEAKING FOR, AND SUPPORTED BY, OTHER GROUP B MEMBERS, URGED FURTHER STRUCTURED NEGOTIATIONS, BUT RECOGNIZED THAT THE G-77 DECISION APPARENTLY HAD PRECLUDED THIS POSSIBILITY. HE NOTED THAT A CHARTER, TO BE MEANINGFUL, WOULD HAVE TO BE ADOPTED WITH THE SUPPORT OF ALL STATES, BUT HE EXPRESSED DOUBT AS TO WHETHER THIS WOULD BE POSSIBLE IN VIEW OF THE PROCEDURES INSISTED ON BY THE G-77. HE ALSO URGED THAT THE CHAIRMAN'S REPORT REFLECT GROUP B INTEREST IN FURTHER WORKING GROUP SESSIONS. HE STATED THAT FUTURE NEGOTIATIONS WOULD BE MOST PRODUCTIVE IF THEY WERE CONDUCTED BY THE INDIVIDUALS WHO HAD PARTICIPATED IN NEGOTIATIONS THUS FAR.

17. AFTER A HEATED EXCHANGE BETWEEN CHINA AND USSR ON QUESTION OF INCLUSION OF A PROVISION ON DISARMAMENT IN CHARTER, CASTANEDA BROUGHT THIS ROUND OF NY CONSULTA-LIMITED OFFICIAL USE  
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TIONS TO A CLOSE.

18. ROUGET (FRG) INDICATED TO USDEL HIS GRATIFICATION THAT EXTREMISTS AMONG G-77 HAD ONCE MORE TORPEDOED PROSPECTS OF COMPROMISE. HE STATED THAT HE THOUGHT GROUP B INTERESTS WOULD BE BETTER SERVED BY VOTING AGAINST AN OUTRAGEOUS CHARTER THAN BY ACQUIESCING IN A BAD ONE. HE STATED THAT HE WAS RECOMMENDING TO FRG A NEGATIVE VOTE ON THE CHARTER AS A WHOLE. CHOLLET (FRANCE) AND MIYAKE (JAPAN) ALSO TOOK INITIATIVE TO SAY TO USDEL THAT THEY WOULD RECOMMEND TO THEIR GOVERNMENTS THAT THEY JOIN USG IN VOTING AGAINST THE CHARTER AS A WHOLE.

19. VARIOUS GROUP B DELEGATIONS VOICED DISQUIET OVER THE PROSPECT OF NEGOTIATIONS ON CHARTER IN CONTEXT OF SECOND COMMITTEE, ON GROUNDS THAT 140 STATES CANNOT AGREE ON WHAT 40 STATES COULD NOT AGREE AND THAT EXTREME MEMBERS OF G-77 MAY INSERT PROVISIONS IN LINE WITH SIXTH SPECIAL SESSION'S PROGRAM OF ACTION. FEELING IS WIDESPREAD AMONG GROUP B THAT THERE RATHER SHOULD BE A FIFTH SESSION OF WORKING GROUP OR, FAILING THAT, RECONVENING OF STRUCTURED NEGOTIATIONS, SUCH AS THOSE JUST CONCLUDED, A WEEK BEFORE CHARTER REACHES SECOND

COMMITTEE. SENTIMENT AGAINST ONE OR MORE GROUP B DELS ENDEAVORING TO SETTLE OUTSTANDING ISSUES WITH ONE OR MORE MEMBERS OF G-77 IS SUBSTANTIAL; CERTAIN EC MEMBERS AND JAPAN FEEL THAT THEY WILL TEND TO GET LEFT OUT IF SUCH INFORMAL CONSULTATIONS TAKE PLACE. THERE IS ALSO APPREHENSION IN GROUP B THAT, IF MEXICO PERSISTS IN ITS POLICY TO HAVE CHARTER VOTED UPON AT THIS UNGA SESSION, G-77 WILL LIKELY OFFER RESOLUTION ADOPTING A CHARTER INCORPORATING A MOST PARTISAN FORMULATION OF G-77 POSITIONS, AND THAT GREAT PRESSURE WILL BE EXERTED ON GROUP B TO SWALLOW IT.

20. INTEREST WAS MANIFESTED BY GROUP B MEMBERS IN ARRANGING A GROUP B SESSION OF DAY'S DURATION IN MID-NOVEMBER IN ORDER TO ATTEMPT TO COORDINATE VOTING POSITIONS ON THE CHARTER. WHILE SALTER (EC) AND BLACK (OECD) THOUGHT THAT SUCH CONSULTATIONS MIGHT TAKE PLACE UNDER OECD AUSPICES IN PARIS NOV 19, FOLLOWING ON CON-LIMITED OFFICIAL USE  
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SULTATIONS ON OTHER SUBJECTS ALREADY SCHEDULED, FREELAND (UK) EXPRESSED STRONG PREFERENCE FOR A GROUP B MTG IN GENEVA. HIS PROPOSAL EVOKED GENERAL SUPPORT. INGERSOLL

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OECD PARIS  
EC BRUSSELS  
MEXICO  
LONDON  
PARIS  
BONN

TOKYO  
THE HAGUE  
ROME  
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